

Chapter Twelve

Financial Management

Overview

Policy

All WIC program funds received by the Arizona Department of Health Services (ADHS) will be accurately documented, and all expenditures made will be according to procedures set forth in the State of Arizona Accounting Manual.

In This Chapter

This chapter is divided into three (3) sections which detail state and local responsibilities, Monthly Summary Report and three (3) appendices.

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Section A

State Responsibilities

Overview

State Agencies are required by statute to submit to the State Finance Division encumbrance documents. Encumbrance documents detail all proposed obligations for Outside Professional Services, In State and Out of State Travel, and Capital Equipment.

In addition, it is the policy of the ADHS that all proposed obligations of \$50.00 or more be encumbered. The ADHS Accounting Office must confirm the availability of funds before encumbrances are submitted to the State Finance Division.

Outside Professional Services and Travel

Control of program funds expended for Outside Professional Services and Travel will be maintained by use of the Department Encumbering Procedures. These procedures are outlined in the ADHS Procedures Manual, Section IV, Part 3 (see pages VI-5 through VI-13)

Personnel Services

Personnel are specifically assigned to established positions classified under the Uniform Classification Plan administered by the Personnel Division of the Arizona Department of Administration (ADOA).

Payroll charges for personnel assigned to those positions specifically identified in the Arizona WIC Program will be charged against the appropriate State Administrative Budget and Cost Center.

All charges to Personnel services and Employee Related categories shall be calculated by the ADHS Payroll Section.

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Section A

State Responsibilities (Continued)

Capital Expenditures

Requests for encumbrance for Capital Equipment, expenditures over \$1,000.00, and encumbrances of all other Program funds will be authorized by the Chief of the Office of Chronic Disease Prevention and Nutrition Services (OCDPNS), or the Nutrition Programs Manager, or their designee. After the purchase is completed, a copy of the vendor's invoice and an equipment inventory list will be submitted to the State Agency.

Equipment Inventory

Documentation of expenditures more than \$5,000.00 will be sent to ADHS Inventory Control. Inventory Control will assign an equipment number and add the item to the ADHS's Inventory Listing. An equipment number tag will be forwarded to the location of the equipment and permanently affixed to the item.

A computerized inventory listing is printed annually for each equipment location showing all equipment numbers, equipment description, cost, date acquired, and the funding source which purchased the equipment. In this way, property purchased with program funds can be distinguished from other property.

Contracts More Than \$10,000

State statutes require Requests for Proposals (RFPs) for advertising, sealed bids, and contracts for all Outside Professional Services more than \$10,000.00. The State Agency will comply with all provisions of ARS Title 41, Chapter 6.1, Sections 41-1051 as outlined in the ADHS Procedures. (see section IV, Part 3).

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Section A

State Responsibilities (Continued)

Contractor's Expenditure and Requirements Report

All Contractor's Expenditure and Requirements (CER) Reports will be signed by the Chief of OCDPNS, Nutrition Programs Manager, or their designee. This signature certifies that the Local Agency's performance is satisfactory and that payment can be advanced according to that agency's contract.

ADHS reserves the right to withhold funds requested for advance payment in the event program reports are not received or other contract requirements are not being met. Funds can be withheld until such time as the reports are received or ADHS is satisfied that contract requirements are met.

Account Ledgers

The ADHS Accounting Office will maintain a complete, accurate and current accounting of all program funds received and expended. A complete self-balancing group of accounts will be maintained for the WIC Program fund. These records will be used to prepare all WIC financial reports required.

All funds advanced up to the limit established by the contract, and all expenditures reported by the respective CER report, will be recorded in that Local Agency's file.

A separate ledger card will be established, by line item, from the budget page of the current contract with each respective Local Agency.

Financial Management System

The ADHS Controller will issue to the Local Agencies the procedures for designing and maintaining a financial management system "Accounting and Auditing Procedures Manual for ADHS Funded Programs." (See guidelines on page VI-14 through VI-55.)

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Section A

State Responsibilities (Continued)

Financial Management System (Continued)

Likewise, the state administrative costs will be compared to the proportionate share of the state budget. These rates will be compared with the time elapsed on the contracted budget to determine over/under-spending or disproportionate spending between line item categories.

Determination Of Costs - Food

Total food obligations for the month, and cumulatively, for the federal fiscal year, (as calculated for the FNS-798 report), will also be compared to budgeted amounts.

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Section B

Monthly Summary Report and Follow-Up

Policy

Using the data on food and administrative costs, the Nutrition Programs Manager will compile a summary report by the 27th of each month containing:

- Total participation and Local Agencies significantly above and below assigned caseload
 - Total administrative expenditures broken out by State Agency and Local Agencies, monthly and cumulative figures, and percentages of proportionate budget for the fiscal year
 - Obligations, both monthly and cumulative figures, and percentages of proportionate budget
 - Average cost per participant for food and administration, both monthly and cumulatively, for the fiscal year
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Section C

Local Agency Responsibilities

Fiscal Management System

Each Local Agency will design and maintain a fiscal management system which accurately accounts for all program funds received and expended. The system will enable the Local Agency to submit an accurate CER report no later than 30 calendar days following the end of the report month.

The system will include the minimum records, source documents, and procedures set forth in the ADOA Procurement Rules and Regulations (see Appendix A).

Capital Equipment Purchases

Each Local Agency will request prior approval from the Nutrition Programs Manager or designated representative before expending Program funds for any equipment costing more than \$5,000.00. After approval is received and equipment is purchased, a copy of the vendor's invoice and a Capital Equipment Expenditure (CEE) report will be submitted for reimbursement.

For those expenditures costing more than \$5,000.00, the CEE report and the invoice(s) will be kept at the State Agency.

The above forms will be forwarded to Inventory Control so that identification tags can be issued. Upon receipt of the equipment number tag, it will be affixed to the equipment.

ADP Equipment / Software Purchase

Prior approval by the Nutrition Programs Manager or designated representative is required for all Management Information Systems items (hardware and software) costing less than \$25,000.00 purchased with program funds. Purchases costing more than \$25,000 require USDA, Food and Nutrition Service approval in addition to State Agency approval. After the purchase is completed, a copy of the vendor's invoice and an equipment inventory list will be submitted to the Arizona WIC Program.

Note: All equipment purchased must be encumbered within the contract period for which the funds are budgeted, i.e., by September 30th of that year.

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Section C

Local Agency Responsibilities (Continued)

Annual Inventory	Each Local Agency will annually inventory all property purchased with program funds and submit a certified correct copy of the inventory to the ADHS Inventory Control Officer by January 31 st .
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Inventory records will identify all items and their locations. The records should identify items as paid for with WIC funds. Equipment should be kept where specified. If equipment is removed from the premises, an ADHS Capital Equipment Control Report must be completed to document its new location.

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Appendix A: ADHS Procurement Rules and Regulations

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Appendix B: Contractor's Expenditure and Requirement Report

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Appendix C: Annual Cost Summary

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Arizona WIC Program Annual Cost Summary

Local Agency: _____

Fiscal Year: _____

	Client Services	Nutrition Education	Breastfeeding Promotion	Administrative
Personnel & ERE				
Professional & Outside Services				
Travel Costs				
Occupancy Costs				
Other Operating Costs				
Capital Costs				
Indirect Costs				
TOTAL				

Signature of Program Director

Submit this report to:
Business and Financial Manager
Office of Chronic Disease Prevention and Nutrition Services
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007

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Appendix D: Managing Caseload

Documents to Monitor Your Monthly Caseload

WIC Participation Log/Report	=	A (Distributed from the State WIC office monthly)
Issuance Participation	=	B (AIM report)

WIC PARTICIPATION LOG A
FFY 2005 (10/01/2004 - 09/30/2005)

Agency	CASELOAD ASSIGNED	AMEND	OCT 04 CLOSED	NOV 04 CLOSED	DEC 04 CLOSED	JAN 05 CLOSED	FEB 05 CLOSED	MAR 05 INITIAL	APR 05 INITIAL	MAY 05	JUN 05	JUL 05	AUG 05	SEP 05	PARTIC- IPATION	YTD ASSIGN	% SERVED
1 APACHE	600		484	490	476	479	483	467	481						3,360	4,200	80.0%
2 COCHISE	5,000		4,829	4,828	4,662	4,706	4,628	4,504	4,394						32,551	35,000	93.0%
3 COCONINO	4,300		4,021	3,980	3,929	3,958	3,778	3,836	3,741						27,243	30,100	90.5%
4 GILA	950		1,047	1,079	1,063	1,083	968	967	998						7,205	6,650	108.3%
5 GRAHAM	1,350		1,281	1,281	1,258	1,301	1,252	1,233	1,245						8,851	9,450	93.7%
6 GREENLEE	300		262	260	253	244	257	235	229						1,740	2,100	82.9%
7 MARICOPA	86,500		85,027	82,686	81,838	83,356	82,298	84,474	84,538						584,217	605,500	96.5%
8 MOHAVE	5,000		4,546	4,471	4,396	4,441	4,278	4,331	4,326						30,789	35,000	88.0%
9 NAVAJO	1,800		1,968	2,015	1,965	1,961	1,919	1,894	1,874						13,596	12,600	107.9%
10 PIMA	16,700	17,700	17,260	16,682	16,380	16,131	15,581	15,859	15,722						113,615	117,900	96.4%
11 PINAL	7,700		7,546	7,494	7,261	7,266	7,230	7,093	7,100						50,990	53,900	94.6%
13 YAVAPAI	5,000		4,236	4,271	4,290	4,375	4,278	4,277	4,311						30,038	35,000	85.8%
14 YUMA CO	7,600		8,042	8,060	7,892	7,942	7,553	7,600	7,609						54,698	53,200	102.8%
17 COCOPAH	210		171	169	165	172	176	180	163						1,196	1,470	81.4%
27 MARANA	2,600		2,375	2,332	2,344	2,347	2,341	2,386	2,568						16,693	18,200	91.7%
28 CLINICA	7,000		6,650	6,769	6,790	6,847	6,994	6,970	6,992						48,012	49,000	98.0%
29 EL RIO	1,700		1,627	1,623	1,708	1,679	1,666	1,702	1,680						11,685	11,900	98.2%
30 MARIPOSA	2,500		2,331	2,298	2,192	2,203	2,155	2,066	2,094						15,339	17,500	87.7%
33 AJO (Desert Senita)	150		61	56	64	77	77	73	72						480	1,050	45.7%
34 MOUNTAIN PARK	2,000		1,132	1,330	1,536	1,753	1,852	2,177	2,404						12,184	14,000	87.0%
	158,960		154,896	152,174	150,462	152,321	149,764	152,324	152,541						1,064,482	1,113,720	95.6%
			154,740	152,116	150,136	152,232	149,447										

05/20/05

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Report No: FR3016

Local	00	Clinic	00	Agency Name: OFFICE OF CHRONIC DISEASE PREVENTION AND NUTRITION										
Current Status	EN	PN	P	PG1	PG2	IFF	IEN	IPN	C1	C2	C3	C4	Total	PCT%
White Enrolled	1494	1718	3282	286	4827	8753	1627	2392	6943	5530	4704	4298	45854	0
Participating	1235	1369	2742	238	3863	7080	1324	1869	5529	4550	3833	3549	37181	23.82
Non Participating	259	349	540	48	964	1673	303	523	1414	980	871	749	8673	28.48
Black Enrolled	66	348	615	49	702	1730	92	501	1344	1063	933	851	8294	4.45
Participating	49	278	498	38	526	1391	73	389	1051	841	736	680	6550	4.20
Non Participating	17	70	117	11	176	339	19	112	293	222	197	171	1744	5.73
Hispanic Enrolled	1078	8047	7812	1260	12191	20201	1191	10578	19776	16740	14505	13385	126764	67.94
Participating	915	6881	6601	1081	10429	17265	981	8893	16863	14190	12427	11376	107902	69.11
Non Participating	163	1166	1211	179	1762	2936	210	1685	2913	2550	2078	2009	18862	61.94
Native Amer. Enrolled	66	165	234	30	309	638	85	229	571	439	387	375	3528	1.89
Participating	53	127	194	27	242	491	58	171	450	358	305	318	2794	1.79
Non Participating	13	38	40	3	67	147	27	58	121	81	82	57	734	2.41
Asian Enrolled	29	110	161	2	239	454	25	158	344	258	211	144	2135	1.14
Participating	24	84	138	1	192	350	20	131	278	189	172	115	1694	1.09
Non Participating	5	26	23	1	47	104	5	27	66	69	39	29	441	1.45
Total Enrolled	2733	10388	12104	1627	18268	31776	3020	13858	28978	24030	20740	19053	186575	0
Participating	2276	8739	10173	1385	15252	26577	2456	11453	24171	20128	17473	16038	156121	0
Non Participating	457	1649	1931	242	3016	5199	564	2405	4807	3902	3267	3015	30454	0
Total Migrant Participating	21	0	140	9	166	451	23	173	444	375	253	247	2302	0
Total Refugee Participating	6	0	23	0	37	66	7	31	82	79	85	86	502	0

Priority 0	23	54	131	10	126	686	51	167	138	122	106	95	1709	1.09%
Priority 1	2245	8637	32	1373	13890	16877	2381	11203	1215	4	5	9	57871	37.07%
Priority 2	1	1	4	1	3	7318	11	55	7	7	1	2	7411	4.75%
Priority 3	0	12	4819	1	1	8	0	0	12704	9074	7379	6605	40603	26.01%
Priority 4	7	24	3	0	1232	1683	13	28	547	3	1	3	3544	2.27%
Priority 5	0	1	5	0	0	5	0	0	9560	10918	9981	9324	39794	25.49%
Priority 6	0	6	5171	0	0	0	0	0	0	0	0	0	5177	3.32%
Priority 7	0	4	8	0	0	0	0	0	0	0	0	0	12	0.01%
Total	2276	8739	10173	1385	15252	26577	2456	11453	24171	20128	17473	16038	156121	100%

	Women	%	Infants	%	Children	%	Total
Enrolled	45120	24.18%	48,654	26.08%	92801	49.74%	186575
Participating	37825	24.23%	40486	25.93%	77810	49.84%	156121
Non Participating	7295	23.95%	8168	26.82%	14991	49.23%	30454